

UNSEALED VERSION OF ADV. DOCKET NO. 526

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ZOHAR III, CORP.,¹

Debtor.

Chapter 11

Case No. 18-10512 (KBO)

DAVID DUNN, as Litigation Trustee for
Zohar Litigation Trust-A;

Plaintiff,

-against-

Adv. Pro. No. 20-50534 (KBO)

PATRIARCH PARTNERS, LLC;
PATRIARCH PARTNERS VIII, LLC;
PATRIARCH PARTNERS XIV, LLC;
PATRIARCH PARTNERS XV, LLC;
PHOENIX VIII, LLC; OCTALUNA LLC;
OCTALUNA II LLC; OCTALUNA III LLC;
ARK II CLO 2001-1, LIMITED; ARK
INVESTMENT PARTNERS II, LP; ARK
ANGELS VIII, LLC; PATRIARCH
PARTNERS MANAGEMENT GROUP, LLC;
PATRIARCH PARTNERS AGENCY
SERVICES, LLC; and LYNN TILTON,

Defendants, and

180S, INC.; GLOBAL AUTOMOTIVE
SYSTEMS, LLC; INTREPID U.S.A., INC.;
IMG HOLDINGS, INC.; SCAN-OPTICS,
LLC; STILA STYLES, LLC; SNELLING
STAFFING, LLC; and VULCAN
ENGINEERING, INC,

¹ The Debtor in this chapter 11 case, along with the last four digits of its federal tax identification number, is Zohar III, Corp., (9612). The Debtor's address is c/o Province, LLC 70 Canal Street, Suite 12E, Stamford, CT 06902. In addition to Zohar III, Corp., the Debtor's affiliates include the following debtors whose bankruptcy cases have been closed prior to the date hereof, along with the last four digits of their respective federal tax identification numbers and chapter 11 case numbers: Zohar II 2005-1, Corp. (4059) (Case No. 18-10513); Zohar CDO 2003-1, Corp. (3724) (Case No. 18-10514); Zohar III, Limited (9261) (Case No. 18-10515); Zohar II 2005-1, Limited (8297) (Case No. 18-10516); Zohar CDO 2003-1, Limited (5119) and (Case No. 18-10517). All motions, contested matters, and adversary proceedings that remained open as of the closing of such cases, or that are opened after the date thereof, with respect to such Closed-Case debtors, are administered in this remaining chapter 11 case.

Nominal Defendants.

PATRIARCH PARTNERS VIII, LLC;
PATRIARCH PARTNERS XIV, LLC;
PATRIARCH PARTNERS XV, LLC;
OCTALUNA LLC; OCTALUNA II LLC;
OCTALUNA III LLC; PATRIARCH
PARTNERS AGENCY SERVICES, LLC; and
PATRIARCH PARTNERS, LLC,

Counterclaim and
Third-Party
Claimants,

-against-

ZOHAR CDO 2003-1, LIMITED; ZOHAR
CDO 2003-1, CORP.; ZOHAR II 2005-1,
LIMITED; ZOHAR II 2005-1, CORP.;
ZOHAR III, LIMITED; ZOHAR III, CORP.,

Counterclaim and
Third-Party
Defendants.

DAVID DUNN, as Litigation Trustee for
Zohar Litigation Trust-A,

Plaintiff,

-against-

LYNN TILTON, PATRIARCH
PARTNERS, LLC, PATRIARCH
PARTNERS VIII, LLC, PATRIARCH
PARTNERS XIV, LLC, PATRIARCH
PARTNERS XV, LLC, PATRIARCH
PARTNERS AGENCY SERVICES, LLC,
PATRIARCH PARTNERS
MANAGEMENT GROUP, LLC,
OCTALUNA, LLC, OCTALUNA II, LLC,
ARK II CLO 2001-1, LIMITED, ARK
INVESTMENT PARTNERS II, L.P., LD
INVESTMENTS, LLC, AND ZOHAR
HOLDINGS, LLC,

Defendants.

Adv. Pro. No. 20-50776 (KBO)

**PATRIARCH STAKEHOLDERS' MOTION FOR A PROTECTIVE ORDER
REGARDING TAX-RELATED DISCOVERY**

Pursuant to Rules 26 and 45 of the Federal Rules of Civil Procedure, made applicable to this adversary proceeding by Rules 7026 and 9016 of the Federal Rules of Bankruptcy Procedure, respectively, and pursuant to Rule 9019-5(d) of the Local Rules of Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (2018, 2019), Defendants Lynn Tilton, Patriarch Partners, LLC, Patriarch Partners VIII, LLC, Patriarch Partners XIV, LLC, Patriarch Partners XV, LLC, Phoenix VIII, LLC, Patriarch Partners Agency Services, LLC, Patriarch Partners Management Group, LLC, Zohar Holdings, LLC, Octaluna LLC, Octaluna II LLC, Octaluna III LLC, Ark II CLO 2001-1, Limited, Ark Investment Partners II, L.P., LD Investments, LLC and Ark Angels VIII, LLC (collectively, “Defendants”) hereby respectfully moves (the “Motion”) for a protective order forbidding the discovery of certain tax-related documents and information sought by Plaintiff Zohar Litigation Trust-A (“Plaintiff”) from Defendants and non-party Anchin, Block & Anchin LLP. The grounds for the relief requested by this Motion are set forth in the accompanying memorandum of law (the “Memorandum”), the Declaration of A. Britt Jordan (including the exhibits thereto, the “Jordan Declaration”) and the Declaration of Troy Lewis (the “Lewis Declaration”), which are being filed contemporaneously herewith.

WHEREFORE, the Patriarch Stakeholders respectfully requests that the Court (i) enter an order, in substantially the form attached hereto as **Exhibit A**, granting the Motion, and (ii) grant such further relief as the Court deems necessary and proper.

Dated: January 26, 2024
Wilmington, Delaware

COLE SCHOTZ P.C.

By: /s/ G. David Dean
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– and –

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Counsel to Lynn Tilton, Patriarch Partners, LLC, Patriarch Partners VIII, LLC, Patriarch Partners XIV, LLC, Patriarch Partners XV, LLC, Phoenix VIII, LLC, Patriarch Partners Agency Services, LLC, Patriarch Partners Management Group, LLC, Zohar Holdings, LLC, Octaluna LLC, Octaluna II LLC, Octaluna III LLC, Ark II CLO 2001-1, Limited, Ark Investment Partners II, L.P., LD Investments, LLC and Ark Angels VIII, LLC

Del. Bankr. L.R. 7026-1(d) Certification

Delaware counsel to the Patriarch Stakeholders certifies that, prior to the filing of the Motion, reasonable efforts were made to reach an agreement with the Trust on the matters set forth in the Motion, as further detailed in the *Memorandum of Law in Support of Patriarch Stakeholders' Motion for a Protective Order Regarding Tax-Related Discovery*.

/s/ G. David Dean
G. David Dean

EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
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ANGELS VIII, LLC; PATRIARCH
PARTNERS MANAGEMENT GROUP, LLC;
PATRIARCH PARTNERS AGENCY
SERVICES, LLC; and LYNN TILTON,

Defendants, and

180S, INC.; GLOBAL AUTOMOTIVE
SYSTEMS, LLC; INTREPID U.S.A., INC.;
IMG HOLDINGS, INC.; SCAN-OPTICS,
LLC; STILA STYLES, LLC; SNELLING

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STAFFING, LLC; and VULCAN
ENGINEERING, INC,

Nominal Defendants.

PATRIARCH PARTNERS VIII, LLC;
PATRIARCH PARTNERS XIV, LLC;
PATRIARCH PARTNERS XV, LLC;
OCTALUNA LLC; OCTALUNA II LLC;
OCTALUNA III LLC; PATRIARCH
PARTNERS AGENCY SERVICES, LLC; and
PATRIARCH PARTNERS, LLC,

Counterclaim and
Third-Party
Claimants,

-against-

ZOHAR CDO 2003-1, LIMITED; ZOHAR
CDO 2003-1, CORP.; ZOHAR II 2005-1,
LIMITED; ZOHAR II 2005-1, CORP.;
ZOHAR III, LIMITED; ZOHAR III, CORP.,

Counterclaim and
Third-Party
Defendants.

DAVID DUNN, as Litigation Trustee for
Zohar Litigation Trust-A,

Plaintiff,

-against-

LYNN TILTON, PATRIARCH
PARTNERS, LLC, PATRIARCH
PARTNERS VIII, LLC, PATRIARCH
PARTNERS XIV, LLC, PATRIARCH
PARTNERS XV, LLC PATRIARCH
PARTNERS AGENCY SERVICES, LLC,
PATRIARCH PARTNERS
MANAGEMENT GROUP, LLC,
OCTALUNA, LLC, OCTALUNA II, LLC,
ARK II CLO 2001-1, LIMITED, ARK

Adv. Pro. No. 20-50776 (KBO)

INVESTMENT PARTNERS II, L.P., LD
INVESTMENTS, LLC, AND ZOHAR
HOLDINGS, LLC,

Defendants.

ORDER GRANTING MOTION FOR A PROTECTIVE ORDER

Upon the *Patriarch Stakeholders’ Motion for a Protective Order Regarding Tax-Related Discovery* (the “Motion”)², filed by Defendants Lynn Tilton, Patriarch Partners, LLC, Patriarch Partners VIII, LLC, Patriarch Partners XIV, LLC, Patriarch Partners XV, LLC, Phoenix VIII, LLC, Patriarch Partners Agency Services, LLC, Patriarch Partners Management Group, LLC, Zohar Holdings, LLC, Octaluna, LLC, Octaluna II, LLC, Octaluna III, LLC, Ark II CLO 2001-1, Ltd., Ark Investment Partners II, L.P., LD Investments, LLC and Ark Angels VIII, LLC (collectively, “Defendants”), and the Court having found that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given; and that the legal and factual bases set forth in the Motion and memorandum in support thereof establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore:

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. Defendants are permitted to redact Ms. Tilton’s Forms 1040 in line with Defendants’ proposed redaction approach provided to Plaintiff on October 27, 2023.
3. Plaintiff Zohar Litigation Trust-A (“Plaintiff”) is prohibited from seeking from Defendants and Anchin, Block & Anchin LLP (“Anchin”) tax information outside the chain of information reporting flowing from portfolio companies through the Zohar Funds and Octaluna Entities up to Lynn Tilton’s Forms 1040.

² Capitalized terms used but not defined herein have the meaning provided in the Motion.

4. Defendants and Anchin are permitted to withhold or redact information outside the chain of information reporting from portfolio companies through the Zohar Funds and Octaluna Entities up to Lynn Tilton's Forms 1040 as well as information for entities above the Octaluna Entities.

5. Plaintiff is prohibited from seeking tax workpapers for and related to Lynn Tilton personally; those for every tax reporting entity between her and the Octaluna Entities; those for her side-by-side investment entities; those for the 2016 "check the box" elections for the Zohar Funds and other entities in the Patriarch enterprise; and those for the 2012 IRS audit of Lynn Tilton's enterprise; and any related communications.